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Het element der onzekerheid in de bedrijfseconomische problematiek

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SUMMARY

In our opinion, the theory of business economics, by giving insufficient regard to the element of uncertainty, is in danger of losing its contact with reality. We therefore try to explain the general importance of this element for the theory of business economics by dealing with some special problems. As our central theme we have chosen: the business unit as a whole of ways and means for purposes of income-formation through production for exchange.

The following problems are considered: the asset-structure of capital (the theory of proportions between factors of production), the liability-structure of capital (the theory of business finance) and the process of income-formation (the theory of cost accounting and the theory of profit).

First, however, the essence of uncertainty is analysed. It proves to be possible to compare uncertainties by using subjective probability judgements. It is explained why neither Knight's distinction between risk and uncertainty, nor Shackle's concept of potential surprise is used in our analysis.

After having pointed out the unsatisfactory elements in current opinion regarding the problem of proportions between factors of production, we construct an apparatus enabling us to investigate the influence of the element of uncertainty.

By using homogeneous isoquants we show, that as a consequence of the indivisability of the means of production, the same quantity of product can be produced at equal costs with various possible proportions between the factors of production. Although these relations are not distinct with regard to revenue or costs, they differ as to the possibility of adaptation to changes in the output desired. In this way the influence of the element of uncertainty on the choice of the actual proportions comes clearly to the fore.

By using discontinuous iso-outlay curves it is shown that the price-differentiation of the means of production, as influenced by the amounts bought, independently

enlarges the uncertainty mentioned. The variability in the course of time of these prices works into the same direction. The following conclusion therefore is reached: the choice of the proportions between factors of production is determined on the basis of a comparison between costs, revenues, uncertainties and flexibilities involved.

When dealing with business finance, we find that uncertainty exists with regard to the need of capital resources as well as to the possibilities of satisfying this need at the required moment. From this it follows, that the business unit will aim at the financial structure with the optimal relation between flexibility, financial resistance and sacrifices needed.

Next, the basis of the theory of replacement value is considered. Because many theorists overlook the significance of the element of uncertainty, they fail to arrive at a consistent economic theory of value and costs. It is shown, that by introducing uncertainty as to the amount of sacrifices made, a logical relation can be expressed between the theory of replacement value, bases on the incentive to attain an income, and the concept of costs.

In connection with the foregoing, the function of profit within the business unit is analysed. It becomes clear that profit is an indispensable element of the income of the business unit, and that it bears a clear relation to the uncertainties which present themselves to the business unit. In addition to this, attention is paid to the unsatisfactory character of the hypothesis of profit maximization. As a far more realistic hypothesis we consider the incentive to attain the most favourable relation between the profit to be made and the uncertainties to bear.

As a final observation, the possibilities are mentioned of a reorientation of the theory of business economics into a dynamic direction.